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DEPARTMENT OF LABOR

Office of Labor-Management Standards

29 CFR Part 403

RIN 1245-AA09

Labor Organization Annual Financial Reports For Trusts In Which A Labor Organization Is Interested, Form T-1; Correction

AGENCY: Office of Labor-Management Standards, Department of Labor.

ACTION: Final Rule; correction.

SUMMARY: The Department of Labor, Office of Labor-Management Standards is correcting a final rule that appeared in the **Federal Register** of March 6, 2020. That document revised the forms required by labor organizations under the Labor-Management Reporting and Disclosure Act (“LMRDA” or “Act”). Under the rule, specified labor organizations file annual reports (Form T-1 Trust Annual Report) concerning trusts in which they are interested. The Form T-1 Instructions published with the final rule, however, provided inaccurate examples concerning the applicability dates of the final rule. This document corrects those omissions.

DATES: Effective April 6, 2020.

FOR FURTHER INFORMATION CONTACT: Andrew Davis, Chief of the Division of Interpretations and Standards, Office of Labor-Management Standards, U.S. Department of Labor, 200 Constitution Avenue, NW, Room N-5609, Washington, D.C. 20210, (202) 693-0123 (this is not a toll-free number), (800) 877-8339 (TTY/TDD), OLMS-Public@dol.gov.

SUPPLEMENTARY INFORMATION:

Background

The final rule that is the subject of this correction appeared in the *Federal Register* of March 6, 2020 (85 FR 13414); the final rule revised the forms required by labor organizations under the Labor-Management Reporting and Disclosure Act (“LMRDA” or “Act”), 29 U.S.C. 431(b). Under the rule, specified labor organizations file annual reports (Form T-1 Trust Annual Report) concerning trusts in which they are interested. The final rule also sets forth the Department’s review of and response to comments on the proposed rule. Under this rule, the Department required a labor organization with total annual receipts of \$250,000 or more (and, which therefore is obligated to file a Form LM-2 Labor Organization Annual Report) to also file a Form T-1, under certain circumstances, for each trust of the type defined by section 3(l) of the LMRDA, 29 U.S.C. 402(l) (defining “trust in which a labor organization is interested”). The rule provided appropriate instructions and revised relevant sections relating to such reports. The Form T-1 Instructions, however, provided inaccurate examples of the rule’s applicability dates. See Form T-1 Instructions, Part II (When to File) at 85 FR 13451. The second through fourth examples indicated, incorrectly, that the first Form T-1 reports, in the examples, were due later than the operative language indicated they would in Part II of the Form T-1 Instructions. This correction remedies this error by inserting the appropriate dates to the examples, thereby ensuring consistency with the operative language in the instructions.

Need for Correction

As published, the final rule contained errors within the Form T-1 Instructions, at 85 FR 13451 (col. 2), which illustrates the prospective effect of the final rule.

Appendix [Corrected]

In FR Doc. 2020-03958, in the **Federal Register** of Friday, March 6, 2020, correct page 13451 to read as follows:

trust; a statement of trust receipts and disbursements aggregated by general sources and applications, which must include the names of the parties with which the trust engaged in \$10,000 or more of commerce and the total of the transactions with each party.

Form T-1 must be filed with the Office of Labor-Management Standards (OLMS) of the U.S. Department of Labor (Department). The labor organization must file a separate Form T-1 for each trust that meets the above requirements.

The LMRDA, CSRA, and FSA cover labor organizations that represent employees who work in private industry, employees of the U.S. Postal Service, and most Federal government employees. Questions about whether a labor organization is required to file should be referred to the nearest OLMS field office listed at the end of these instructions.

II. WHEN TO FILE

The Form T-1 requirements apply to a labor organization whose fiscal year *and* the fiscal year of its section 3(l) trust begin on or after July 1, 2020. Form T-1 must be filed within 90 days of the end of the labor organization's fiscal year. The Form T-1 shall cover the trust's most recently completed fiscal year ending on or before 90 days before the union's fiscal year. The penalties for delinquency are described in Section V (Officer Responsibilities and Penalties) of these instructions. Examples of filing dates for the Form T-1 follow:

Where the trust and labor organization have the same fiscal years

- The trust and labor organization have fiscal years ending on December 31. The Form T-1 for the fiscal year ending December 31, 2021 must be filed not later than March 31, 2023.

- The trust and the labor organization each has a fiscal year that ends on June 30. The labor organization's first Form T-1 will be for the trust's fiscal year ending June 30, 2021 and must be filed not later than September 28, 2022.

Where the trust and labor organization have different fiscal years

- The trust's fiscal year ends on June 30. The labor organization's fiscal year ends on September 30. Its first Form T-1 for this trust will be for the trust's fiscal year ending June 30, 2021 and must be filed not later than December 29, 2021.
- The trust's fiscal year ends on June 30. The labor organization's fiscal year ends on December 31. Its first Form T-1 for this trust will be for the trust's fiscal year ending June 30, 2021 and must be filed not later than March 31, 2022.

If a trust for which a labor organization was required to file a Form T-1 goes out of existence, a terminal financial report must be filed within 30 days after the date it ceased to exist. Similarly, if a trust for which a labor organization was required to file a Form T-1 continues to exist, but the labor organization's interest in that trust ceases, a terminal financial report must be filed within 30 days after the date that the labor organization's interest in the trust ceased. See Section IX (Trusts That Have Ceased to Exist) of these instructions for information on filing a terminal financial report.

III. HOW TO FILE

Form T-1 must be submitted electronically to the Department via the OLMS Electronic Forms System (EFS) available on the OLMS website at: <http://www.dol.gov/olms>. Form T-1 filers will be able to file reports in paper format

Signed in Washington, DC.

Arthur F. Rosenfeld

Director, Office of Labor-Management Standards

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